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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/766,315

01/27/2004

Emerson P. Jones

G08.070

1208

28062

7590

02/04/2009

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EXAMINER

VEZERIS, JAMES A

ART UNIT

PAPER NUMBER

3693

MAIL DATE

DELIVERY MODE

02/04/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/766,315	Applicant(s) JONES ET AL.	
	Examiner JAMES A. VEZERIS	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 20 October 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-21 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-21 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Non-Final Rejection

Response to Applicant's Arguments

1. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, using the logic of KSR, the combining of prior art elements, using known methods to yield predictable results is sufficient in creating a prima facie case. Further, Tier 1 capital, as claimed by the applicant, allows better credit rating scores, by credit agencies. It is well known in the art that such capital is desirable for a company to have. Further, Aberman, in paragraph 61 discusses the result of the remarketing being Tier 1 capital.
2. In response to the applicant's argument that Aberman fails to disclose the unit being treated as Tier 1 capital as a results of capped and uncapped remarketings examiner agrees that the rejection was lacking in structure. Examiner, for purpose of compact prosecution and the convenience of the applicant has changed the format of the rejection.
3. Examiner, in response to the applicant's argument that the invention produces unpredictable results points the applicant to Aberman paragraph 61.

Claim Rejections- 35 U.S.C. 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claims 1-17 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. A “computing device” without physical structure tied to it, can be a virtual machine, which is computer code per se. Applicant is advised to include actual physical structure in the claims, such as a computer processor.

Claim Rejections- 35 U.S.C. 103(a)

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over “Internal Revenue Service Issues Guidance on Popular Equity-Linked Financial Products”, (Hereinafter “Shearman”) in view of U.S. Patent Publication 2003/0225656 to Aberman et al. (Hereinafter “Aberman”).

Regarding Claim 1.

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Shearman teaches:

creating a forward contract, the forward contract specifying a settlement amount and a settlement date; (Shearman "Description of Mandatory Units" first paragraph)

creating a note securing obligations of said holder under said forward contract, said note specifying an initial capped remarketing, at least a first subsequent capped remarketing, and an uncapped remarketing, said uncapped remarketing performed only if each of said capped remarketings fail, each of said capped and uncapped remarketings scheduled to occur prior to said settlement date; (Shearman "Description of Mandatory Units" second paragraph, Footnote 4, "IRS Analysis" last paragraph)

Examiner notes that, as applicant has admitted in arguments on 6/20/2008, "the Shearman reference suggests that a capped remarketing is a possible alternative to an uncapped remarketing" Even though they are not used in combination in Shearman it would be obvious to one skilled in the art that both, capped and uncapped remarketings are a possible. Further, it would have been obvious to one of ordinary skill in the art to include capped and uncapped remarketings as taught by Shearman since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

issuing said forward contract and said note as the unit, said issuing performed by a computing device; (Shearman first Paragraph)

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Shearman further teaches a result of said combination of capped and uncapped remarketings (Shearman "Description of Mandatory Units" second paragraph, Footnote 4, "IRS Analysis" last paragraph)

Shearman fails to further teach the result is treated as Tier 1 capital, for purposes of regulations applicable to financial institutions.

Aberman teaches said unit is treated, as Tier 1 capital, for purposes of regulations applicable to financial institutions. (See Paragraphs 58-61)

It would have been obvious to one of ordinary skill in the art to include the treatment of the unit as tier 1 as taught by Aberman in Shearman since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Regarding Claim 2.

Shearman further teaches said note further specifies, in addition to said initial capped remarketing, said at least a first subsequent capped remarketing, and said uncapped remarketing, an opportunistic remarketing period during which an issuer of said unit has discretion to perform at least one of a capped and an uncapped remarketing. (Shearman "Description of Mandatory Units" second paragraph, Shearman "IRS analysis" last paragraph)

Regarding Claim 3.

Shearman further teaches a second and a third subsequent capped remarketing

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prior to said uncapped remarketing. (Shearman "Description of Mandatory Units" second paragraph, Shearman "IRS analysis" last paragraph) Examiner notes that the repetition of a known process does not generate a patentably distinct invention if the process was known. See KSR International Co v. Teleflex Inc.

Regarding Claim 4.

Shearman further teaches wherein a remarketing is successful if said note can be resold for an amount greater than said settlement amount. (Shearman "Description of Mandatory Units" paragraph 2)

Regarding Claim 5.

Shearman further teaches wherein a remarketing is successful if said note can be resold for an amount greater than said settlement amount plus a remarketing fee. (Shearman "Description of Mandatory Units" paragraph 2) Examiner notes that the amount of money mentioned in Shearman must be "at least equal to the settlement amount" allowing for any amount greater than the settlement amount as well.

Regarding Claim 6.

Shearman fails to teach an issuer of said unit is a financial institution obligated to maintain Tier 1 and Tier 2 capital and wherein said unit is treated as Tier 1 capital.

Aberman teaches an issuer of said unit is a financial institution obligated to maintain Tier 1 and Tier 2 capital and wherein said unit is treated as Tier 1 capital. (See paragraph 4)

It would have been obvious to one of ordinary skill in the art to include the obligation to maintain Tier 1 and Tier 2 capital, wherein the unit is treated as Tier 1

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capital in Shearman as taught by Aberman since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

Regarding Claims 7-21.

Claims 7-21 are analogous to claims 1-6 are rejected using the reasoning stated above.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES A. VEZERIS whose telephone number is (571)270-1580. The examiner can normally be reached on Monday-alt. Fridays 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

/JAMES A VEZERIS/
Examiner, Art Unit 3693

2/2/2009